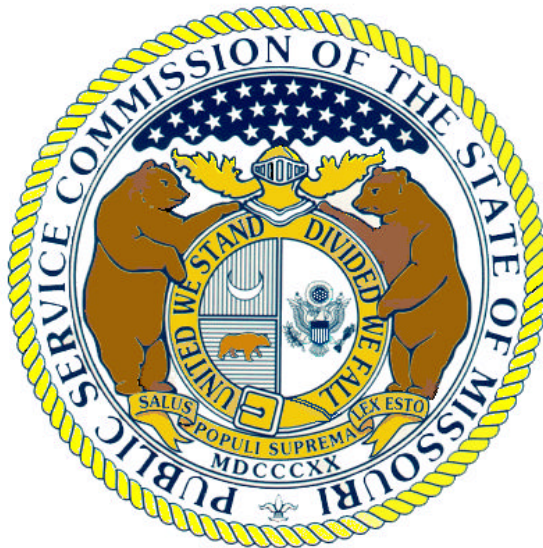


Missouri Public Service Commission



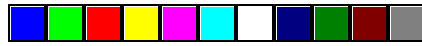
Information Guide



*The Missouri Public Service Commission is an
Equal Opportunity Employer.*

August 2003

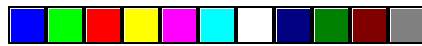




PSC Mission Statement

We will:

- ensure that Missourians receive safe and reliable utility service at just, reasonable and affordable rates;
- support economic development, through either traditional rate of return regulation or competition as required by law;
- establish standards so that competition will maintain or improve the quality of services provided to Missourians;
- provide the public information they need to make educated utility choices;
- provide an efficient regulatory process that is responsive to all parties; and
- perform our duties ethically and professionally.



Missouri Public Service Commission

History

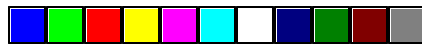
From regulating street cars and railroads in 1913, through AT&T divestiture and nuclear power plants in the 1980's, to managing the transition to more competition in utility industries, the Missouri Public Service Commission (PSC) has had a changing, but major, impact on the State's citizenry and economy throughout most of the Twentieth Century and now into the Twenty-First Century.

The 47th General Assembly passed legislation sponsored by Carroll County Senator William Busby which created the PSC in 1913. Following the creation of the PSC, the Missouri General Assembly no longer set rates for public utilities.

John Atkinson, a former Assistant Attorney General and Speaker of the Missouri House, was named as the Commission's first chairman. He was joined on that first commission by former Missouri Supreme Court Justice John Kennish, railroad expert Frank Wightman and Howard Shaw, dean of the School of Engineering at the University of Missouri-Columbia. On July 3, 1913, St. Louis attorney William Woerner was selected as the fifth member of the Commission.

When established in 1913, the PSC was given general supervision over all railroads, street railroads, express companies, all kinds of car companies, steamboat companies operating upon waters in Missouri and all other common carriers. The Commission was also given jurisdiction over all gas corporations, electric, telephone, telegraph, water and municipal systems.

At the close of the year (December 31, 1913), there were 877 corporations, municipalities and individuals engaged in serving the public in some capacity that, by operation of PSC law, placed them under supervision and jurisdiction of the Commission. Of that total, the Commission regulated 426 telephone corporations.



Commission Purpose and Responsibilities

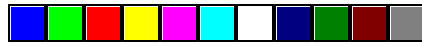
The Missouri Public Service Commission has the statutory responsibility of ensuring that consumers receive safe and adequate service at just and reasonable rates. Those rates must be set at a level which will provide the companies' shareholders with the opportunity (not a guarantee) to earn a reasonable return on their investment. The Commission must balance a variety of often competing private interests to ensure the overall public interest.

The PSC regulates the rates, services, practices and operations of more than 1,000 investor-owned electric, natural gas, telephone, water and sewer companies. The PSC also regulates companies that build and sell manufactured homes and modular units. In addition, the Commission regulates the state's 48 rural electric cooperatives and 42 municipally-owned utilities for operational safety. The Commission also has jurisdiction over territory issues involving rural electric cooperatives and municipally-owned electric utilities. The PSC also acts as mediator and arbitrator of local telephone disputes regarding interconnection agreements in accordance with federal law. Virtually every Missouri citizen receives some form of utility service from a PSC-regulated utility. The Commission does not regulate the cell phone industry, companies that provide Internet or paging services or cable television rates and services.

The basic statutory provisions governing the Commission are contained in Chapters 386, 392, 393, 394 and 700 RSMo.

The PSC is funded through assessments of those entities the Commission regulates and not from general revenue.

The Commission has established standards for safety and quality of service to which companies must adhere. Routine and special investigations are conducted by the PSC Staff to ensure companies comply with those standards.



Utility services and infrastructure are essential to the economy of Missouri. They provide heating and cooling during extreme temperatures. They offer access to emergency services and vital information systems. They provide safe drinking water and assure the environmentally sound disposal of wastewater. Because utilities fulfill these essential needs, the Commission must assure the ratepaying public that quality service will be available on a nondiscriminatory basis at just and reasonable rates.

The PSC is both quasi-judicial and quasi-legislative. The Commission is responsible for deciding cases brought before it and for the declaration and enforcement of administrative rules under which a company must operate. Many of the Commissioners' duties are performed in hearings of contested cases. Hearings are conducted in a trial-like atmosphere using evidentiary standards under the Missouri Administrative Procedures Act.

Commissioners

The PSC consists of five Commissioners who are appointed by the Governor with the advice and consent of the Missouri Senate. The Governor designates one member as the chair of the Commission; the chair serves in that capacity at the pleasure of the Governor. Commissioners are appointed to six year terms. These terms are staggered so no more than two terms expire in any given year.

Executive Director

The Executive Director is the PSC's chief operations officer. The Executive Director is responsible for the overall administrative functions and the policy direction of the Staff. The Executive Director also serves as the primary liaison between the Commissioners and Staff.



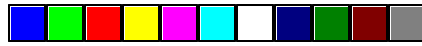
PSC Staff

The Commission is assisted by a staff of professionals in the fields of engineering, accounting, law, finance, management, economics and consumer affairs. Duties range from helping individual consumers with utility complaints to investigating multi-million dollar rate requests. The PSC Staff participates as a party in all cases filed with the Commission. Staff conducts audits of the books, records and operations of utilities and make recommendations to the Commission based on these findings. Staff recommendations, like those filed by other parties to a proceeding, are used by the Commission in reaching a decision in a complaint or rate case. Routine and special investigations of utilities are also conducted by the PSC Staff to ensure full compliance with Commission rules and orders.

Office of the Public Counsel

The general public is represented in proceedings before the Missouri Public Service Commission by the Office of Public Counsel. The Office of Public Counsel is not a part of the Commission, it is a separate state agency.

The Office of Public Counsel may be contacted by writing to: **Office Of Public Counsel, P.O. Box 7800, Governor Office Building, Jefferson City, Missouri 65102** or you may call **(573) 751-4857**.



Rate Case Proceedings

Utility rate cases handled by the PSC perhaps have the most immediate impact on public utilities and the customers they serve. Rate cases are often both lengthy and complex and can, at times, draw much public attention. The process begins when a utility files, with the Commission, new tariffs for authority to increase its rates. The Commission then, except in unusual or emergency situations, sets a schedule for hearing the case. In general rate cases, the Commission has **11 months** from the date a case is submitted to make a decision on that proposal. Less formal procedures apply for some smaller utilities and the process takes approximately 150 days.

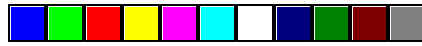
Prior to any hearing, the PSC Staff conducts an independent on-site investigation into the company's books and records. This helps the Staff provide the Commission with a recommendation as to what amount of a proposed increase, if any, should be granted. This investigation can take several weeks or months. Other parties such as the Office of Public Counsel, consumer groups, industries, and cities are also given an opportunity to present evidence on the proposed increase and take part in the proceedings.

Once the participants in a case file prepared evidence, a prehearing conference is held. The parties in a case meet at the prehearing conference to determine which issues are contested and on which ones they agree.

Local Public Hearings

Prior to any formal hearings, the Commission may also hold local public hearings in a company's service area. These hearings give customers an opportunity to express their views on cases before the Commission such as proposed rate increases. During local public hearings, customers may also bring to the Commission's attention any service related problems.

Public comments from local hearings are a part of the official record in the case and are considered as evidence when Commissioners make their decision.



Hearings, Deliberations and Decisions

At formal evidentiary hearings, participants in the case present evidence to the Commission regarding their various recommendations. These hearings are very similar to courtroom proceedings where witnesses are cross-examined by other parties as well as Commissioners.

After the hearing is completed, a transcript of the hearing is filed and parties of record file briefs. When all the filings are in, the entire record is before the Commission. Commissioners review that record in making their decision on the case. Once a decision has been reached, the Commission announces that decision through a written report and order. That decision is subject to appeal to the courts by any of the participants in the case, except the Public Service Commission Staff.

Relay Missouri

Relay Missouri began in 1991 and provides hearing and speech impaired citizens access to the telephone network. A communications assistant translates a call so that a hearing/speech impaired party can communicate with any other party. TT/TTY users and voice callers can access Relay Missouri toll-free by dialing 711. In addition, TT/TTY users can access the Relay Missouri center by calling toll-free: 1-800-RELAY-MO (1-800-735-2966). Voice Callers can access the center by calling toll-free: 1-866-735-2460.



Consumer Complaints and/or Inquiries

Consumers who have specific questions about matters relating to utility service or who wish to file a complaint against a utility company under the jurisdiction of the PSC, have a number of avenues they may wish to pursue.

FIRST, the customer should call the utility company and attempt to work out their problem.

IF the company is not able to satisfy the customer's concerns adequately, he or she should call the Public Service Commission's Consumer Services Department. The toll-free hotline number is 1-800-392-4211.

The main consumer services office is located in Jefferson City in the Governor Office Building. PSC Offices are also located in St. Louis.

Jefferson City Office

P.O. Box 360
Governor Office Building
200 Madison Street
Jefferson City, Mo 65102-0360
(573) 751-3234
FAX: (573) 751-1847

St. Louis Office

1845 Borman Court
Suite 101
St. Louis, Mo 63146-4138
(314) 340-4680
FAX: (314) 340-4668



PSC Vision Statement

**"Informed Consumers, Quality Utility
Services, and a Dedicated Organization
for Missourians in the 21st Century"**



**Missouri Public Service Commission
Governor Office Building
200 Madison Street
P.O. Box 360
Jefferson City, MO 65102**

**Consumer Hotline: 1-800-392-4211
website: www.psc.mo.gov**

